

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of)  
HAWAII-AMERICAN WATER COMPANY )  
For Approval of Rate Increases and )  
Revised Rate Schedules and Rules. )  

---

DOCKET NO. 2007-0180

INTERIM DECISION AND ORDER

RECEIVED

2008 OCT 14 A 9:52

DIV. OF CONSUMER ADVOCACY  
DEPT. OF COMMERCE AND  
CONSUMER AFFAIRS  
STATE OF HAWAII

PUBLIC UTILITIES  
COMMISSION

2008 OCT 10 A 9:01

FILED

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of)

HAWAII-AMERICAN WATER COMPANY )

Docket No. 2007-0180

For Approval of Rate Increases and )  
Revised Rate Schedules and Rules. )  
\_\_\_\_\_)

INTERIM DECISION AND ORDER

By this Interim Decision and Order, the commission approves, on an interim basis, HAWAII-AMERICAN WATER COMPANY ("HAWC"), the DIVISION OF CONSUMER ADVOCACY, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS ("Consumer Advocate"),<sup>1</sup> and the CITY AND COUNTY OF HONOLULU's ("City")<sup>2</sup> stipulated agreement to allow HAWC to increase its rates to such levels as will produce in the aggregate \$701,817 in additional revenues for the test year ending December 31, 2008 ("Test Year"), or an increase of 8.37% over revenues at present rates, as set forth in the Stipulated Interim Relief Letter, filed on September 26, 2008.

---

<sup>1</sup>The Consumer Advocate is an ex officio party to this docket pursuant to Hawaii Revised Statutes ("HRS") § 269-51 and Hawaii Administrative Rules ("HAR") § 6-61-62.

<sup>2</sup>HAWC, the Consumer Advocate and the City are collectively referred to as the "Parties."

I.

Background

HAWC, a Nevada corporation,<sup>3</sup> is a public utility authorized to provide wastewater collection, treatment, and disposal services to the residences, condominiums, and commercial establishments in the Hawaii Kai community on the island of Oahu, State of Hawaii ("State").<sup>4</sup>

A.

Application

On October 29, 2007, HAWC filed an application for commission approval to increase its rates and revise its rate schedules and rules for service ("Application") in this docket.<sup>5</sup>

---

<sup>3</sup>American Water Works Company, Inc. ("American Water"), a Delaware corporation, is HAWC's sole shareholder. In turn, American Water's stock is currently held by RWE Aqua Holdings GmbH, fka Thames Water Aqua Holdings GmbH, which is a subsidiary of RWE Aktiengesellschaft, a foreign corporation organized under the laws of the Federal Republic of Germany. By Decision and Order No. 22511, filed on June 5, 2006, in Docket No. 2006-0095, the commission conditionally approved the sale of up to 100% of American Water's common stock in one or more public offerings.

<sup>4</sup>In addition to its operations on Oahu, HAWC provides support services to Kaupulehu Water Company and, in early 2006, acquired the assets of Mauna Lani STP, Inc., which are both located on the island of Hawaii. See In re Mauna Lani STP, Inc. and Hawaii-American Water Company, Docket No. 05-0229, Decision and Order No. 22299, filed on February 28, 2006.

<sup>5</sup>HAWC served copies of the Application on the Consumer Advocate and on the Mayor of the City and County of Honolulu.

On November 19, 2007, the Consumer Advocate filed its Statement of Position Regarding Completeness of Application stating that it appears to have complied with the requirements of Subchapters 6 and 8 of the Rules of Practice and Procedure in Chapter 61 of the commission's HAR with the exception of HAR § 6-61-87(6), which requires Applicant to provide earnings results for total utility operations and the division for which

In its Application, HAWC sought commission approval of a general rate increase of up to \$1,324,488 or 15.9%, over total revenues at present rates for the Test Year. HAWC asserted that its request was necessary to allow HAWC to cover increases in its operating costs and to allow it to continue to invest in system improvements and upgrades in the Hawaii Kai area.

HAWC's current and proposed rates and charges, as set forth in its Application, were as follows:

<b>Customer Class</b>	<b>Current</b>	<b>Proposed</b>	<b>Percent Increase</b>
<u>Residential Units:</u>			
Single-Family Residential Unit (monthly service charge per dwelling unit)	\$54.55	\$63.65	16.68%
Multi-Family Residential Unit (monthly service charge per dwelling unit)	\$45.75	\$53.40	16.72%
<u>Commercial (Non-Residential):</u>			
Food Service Operation	\$13.10 per 1,000 gallons of water consumed	\$14.24 per 1,000 gallons of water consumed	8.70%
Non-Food Service Operation (including Public Authority-Other*)	\$7.90 per 1,000 gallons of water consumed	\$9.20 per 1,000 gallons of water consumed	16.46%**

rate changes are sought. On December 11, 2007, HAWC provided additional information in response to the Consumer Advocate. See Letter dated December 11, 2007 from HAWC to the commission and confidential information. By Order No. 24090, filed on March 13, 2008 ("Order No. 24090"), the commission found that the date of the completed application was December 11, 2007.

Public Authority- Dwelling**	\$2.93** per 1,000 gallons of water consumed	\$3.26 per 1,000 gallons of water consumed	11.26%**
---------------------------------	--	--	----------

\*Public Authority- Other refers to the sewerage services provided by HAWC to the City, the State and other facilities (including parks, schools, fire station and Lunalilo Homes).

\*\*The Public Authority- Dwelling class refers to the services provided by HAWC to the City for the City's residential customers in Hawaii Kai, including Kuliouou Valley, Portlock, Paiko and other areas which fall outside of HAWC's service territory, but which are served directly by the City's sewerage system and then connected to HAWC's wastewater system for distribution and processing.

On January 7, 2008, the commission held a public hearing on HAWC's Application at Hahaione Elementary School Cafeteria, 595 Pepeekeo Street, Honolulu, Hawaii, 96825, pursuant to HRS § 269-16(b). Subsequently, the commission found that a substantial number of HAWC customers failed to receive notice of the hearing and convened a second hearing on April 14, 2008, at the same location.<sup>6</sup> Written and verbal comments regarding HAWC's Application were received into the record prior to, during, and following the public hearings, and the transcripts of the public hearings were filed with the commission on January 8, 2008 and May 2, 2008, respectively.

On January 17, 2008, the City filed a motion to intervene in this docket.<sup>7</sup> By Order No. 24090, the commission granted the City's motion.

---

<sup>6</sup>Order No. 24090.

<sup>7</sup>HAWC filed its response to the City's Motion on January 23, 2008.

By Order No. 24178, filed on May 6, 2008 ("Order No. 24178"), the commission approved, with modifications, the Parties' Stipulated Prehearing Order, which included a proposed Stipulated Regulatory Schedule filed by the Parties on March 31, 2008, that, among other things, required the Parties to inform the commission of any settlement agreement. Order No. 24178 also approved the Parties' agreement to waive the nine month deadline for the issuance of the commission's final decision and order in this matter.<sup>8</sup>

The Parties conducted extensive discovery in this docket. The Consumer Advocate submitted four formal information requests to HAWC and HAWC responded through multiple responsive filings. The City issued one formal submission of information requests on HAWC and HAWC responded.

B.

Settlement

On September 19, 2008, in Docket No. 2007-0180, the Parties filed a Joint Settlement Letter and Request to Further Amend Regulatory Schedule ("Settlement Letter") in which they

---

<sup>8</sup>The nine month deadline for the issuance of a final decision regarding the matters of this docket was September 11, 2008. See HRS § 269-16(d). However, in the Stipulated Prehearing Order, the Parties included deadlines that were to occur after September 11, 2008, including the evidentiary hearing (if there was no settlement) for the week of September 29, 2008. Accordingly, the commission construed the Parties' Stipulated Prehearing Order as an agreement to waive the requirement that a final decision and order in this matter be issued within the nine month period, (i.e., by September 11, 2008); and approved the Parties' agreement to waive the nine month deadline under HRS § 91-9(d) and HAR § 6-61-35.

stated that they had resolved their outstanding issues regarding all rate case related items, in principle,<sup>9</sup> and waived their rights to an evidentiary hearing.

Since HRS § 269-16 requires the commission to issue interim rates by October 11, 2008, HAWC, the Consumer Advocate, and the City stated that they would file an interim rate relief letter setting forth their agreed-upon revenue requirements and rate structure necessary for the purpose of granting interim rate relief.

On September 26, 2008, the Parties filed a Stipulated Interim Relief Letter ("Stipulated Interim Relief Letter") setting forth their stipulated agreement as to interim rates. In the Stipulated Interim Relief Letter, the Parties agreed that "HAWC is probably entitled to an increase in its rates to the extent provided herein" and that "without interim relief in this proceeding, HAWC may be denied an opportunity to earn a fair return on its rate base."<sup>10</sup> As a result, the Parties agreed that "for interim purposes pending a final decision by the [c]ommission in this docket, it is appropriate and reasonable to adopt an average rate base of \$22,720,206, a rate of return on the rate base of [8.85%], and [Test Year] revenue requirements or

---

<sup>9</sup>In their Settlement Letter, the Parties informed the commission of their agreement that the evidentiary hearing, which was scheduled for September 29, 30, and October 1, 2008, was not necessary. See Notice of Evidentiary Hearing issued on September 10, 2008. Thus, by the Order Granting the Parties' Requests to Amend the Stipulated Regulatory Schedule, filed September 19, 2008, filed on September 26, 2008, the commission cancelled the Evidentiary Hearing.

<sup>10</sup>See Stipulated Interim Relief Letter, at 4.

results of operations, as set forth in Exhibit A," and "that an interim increase in revenues of \$701,817, or an increase of approximately [8.37%] over revenues at present rates, is just and reasonable."<sup>11</sup> Accordingly, the Parties requested the following interim rates:

<b>Customer Class</b>	<b>Current</b>	<b>Interim Proposed Rate</b>	<b>Percent Increase</b>
<u>Residential Units:</u>			
Single-Family Residential Unit (monthly service charge per dwelling unit)	\$54.55	\$58.70	7.61%
Multi-Family Residential Unit (monthly service charge per dwelling unit)	\$45.75	\$49.95	9.18%
<u>Commercial (Non-Residential):</u>			
Food Service Operation	\$13.10 per 1,000 gallons of water consumed	\$14.10 per 1,000 gallons of water consumed	7.63%
Non-Food Service Operation (including Public Authority-Other*)	\$7.90 per 1,000 gallons of water consumed	\$8.65 per 1,000 gallons of water consumed	9.49%**
Public Authority-Dwelling**	\$2.93** per 1,000 gallons of water consumed	\$3.26 per 1,000 gallons of water consumed	11.26%**

---

<sup>11</sup>See Stipulated Interim Relief Letter, at 5.



\*Public Authority- Other refers to the sewerage services provided by HAWC to the City, the State and other facilities (including parks, schools, fire station and Lunalilo Homes).

\*\*The Public Authority- Dwelling class refers to the services provided by HAWC to the City for the City's residential customers in Hawaii Kai, including Kuliouou Valley, Portlock, Paiko and other areas which fall outside of HAWC's service territory, but which are served directly by the City's sewerage system and then connected to HAWC's wastewater system for distribution and processing.

## II.

### Discussion

HRS § 269-16(d) requires the commission to make every effort to complete its deliberations with respect to a public utility's request for a rate increase "as expeditiously as possible and before nine months from the date the public utility filed its completed application." The statute further provides that, if such deliberations are not concluded within the nine month period, the commission shall render an interim decision within one month after the expiration of the nine month period. It further states that the commission may postpone its interim rate decision an additional thirty days if the commission considers the evidentiary hearing incomplete. The interim decision may allow an increase in rates if the commission believes the public utility is "probably entitled" to such interim rate relief.

HAWC filed its Application on October 29, 2007. By Order No. 24090, the commission found that the date of the completed application was December 11, 2007. By Order No. 24178, the commission approved the Parties' agreement to waive the nine month deadline for the issuance of the final decision and order

in this docket. The evidentiary hearing, which was scheduled for September 29, 30, and October 1, 2008, was waived by the Parties. The ten month deadline is October 11, 2008.

This Interim Decision and Order is issued in compliance with HRS § 269-16(d), and addresses only the matters related to interim rate relief.

A.

Interim Increase

In reviewing the Settlement Letter and the Stipulated Interim Relief Letter, the commission agrees that HAWC is probably entitled to the level of relief requested in the Stipulated Interim Relief Letter and that without interim relief HAWC may be denied an opportunity to earn a fair return on its rate base. Attached to this Interim Decision and Order are Exhibits A and B, which provide the commission's estimates of operating revenues, expenses, and the average depreciated rate base for the Test Year for purposes of this Interim Decision and Order.<sup>12</sup> The numbers are based on the stipulated schedules filed with the Stipulated Interim Relief Letter, but contain slight deviations due to rounding and recalculation of certain items.

---

<sup>12</sup>The commission notes that the Parties used "Total Operating Revenues less Uncollectible Expenses" when calculating commission fees at both present and proposed/interim rates. See Stipulated Interim Relief Letter, Exhibit A, page 4. The commission fee does not allow HAWC to deduct uncollectible expenses from its total operating revenues. Since the difference between the stipulated figures and the commission's figures is negligible, the commission will not make any adjustments. See Exhibit A attached hereto, at 2.

For interim relief purposes, the commission applies the average test year methodology, and finds reasonable an average depreciated rate base of \$22,720,206; a return on rate base of 8.85%;<sup>13</sup> and Test Year revenue requirements (or results of operations), as set forth in Exhibits A and B of this Interim Decision and Order.<sup>14</sup> The commission also finds HAWC and the Consumer Advocate's agreement that an interim increase in revenues of \$701,817, or an increase of 8.37% over revenues at present rates, is reasonable for the purposes of this Interim Decision and Order.

Based on the established record, it appears that HAWC will probably be entitled to the level of relief that the commission is granting in this Interim Decision and Order. The interim relief granted herein meets HAWC's need for immediate rate relief and protects the interests of ratepayers. Accordingly, the commission finds the Parties' agreements on these matters for the purposes of interim rate relief to be acceptable.

---

<sup>13</sup>This rate is consistent with HAWC's current authorized rate of return. See In re Hawaii-American Water Company, Inc., Docket No. 03-0025, Decision and Order No. 20966, filed on May 6, 2004 and Interim Decision and Order No. 22642.

<sup>14</sup>For interim rate relief purposes, the allocation of revenue increases to the various rate classes should reflect the proposal agreed upon by HAWC and the Consumer Advocate as set forth in their Stipulated Interim Relief Letter, which was filed pursuant to the terms and provisions of the Parties' Settlement Letter.

B.

Refund Requirement

The commission emphasizes that the adoption here of the various amounts reflected in Exhibits A and B are only for the purposes of this Interim Decision and Order. The commission is not, in any way, required to accept any of these amounts in its final decision. The commission's final decision will reflect a more detailed review and analysis of all estimates and proposals of the Parties.

HAWC will be required to refund to its customers any excess collected under this Interim Decision and Order, together with such interest as provided for by HRS § 269-16(d), if the final increase approved by the commission is less than the total interim increase granted by this Interim Decision and Order.

C.

Ultimate Findings of Fact and Conclusions of Law

The commission makes the following findings of fact and conclusions of law.

1. HRS § 269-16(d) mandates the commission make every effort to complete its deliberations and issue a final decision in public utility rate cases within nine months after a completed application has been filed by a utility. If such deliberations are not concluded within the nine month period, the commission shall render an interim decision within one month after the expiration of the nine month period.

2. The ten month deadline for the issuance of an interim rate decision in this docket is October 11, 2008. This Interim Decision and Order is issued in compliance with HRS § 269-16(d).

3. Pursuant to HRS § 269-16(d), the commission may grant an interim increase, subject to refund and interest, pending a final decision, if the commission believes that the public utility is probably entitled to an increase in its rates.

4. Based on the record before the commission, HAWC is probably entitled to an increase in its rates.

5. Without interim relief, HAWC may be denied an opportunity to earn a fair return on its rate base.

6. For interim decision purposes, pending a final decision in this docket, it is appropriate and reasonable to adopt an average depreciated rate base of \$22,720,206; a rate of return of 8.85%; and Test Year results of operations, as set forth in Exhibits A and B, which are attached to this Interim Decision and Order.

7. An interim increase in revenues of \$701,817, or an increase of 8.37% over revenues at present rates, is just and reasonable.

### III.

#### Orders

##### THE COMMISSION ORDERS:

1. HAWC may increase its rates, on an interim basis, to such levels as will produce, in the aggregate, \$701,817, in


additional revenues for the Test Year (8.37% more than at present rates). The interim rate increase shall be effective from the date of this Interim Decision and Order, until the commission issues a final decision in this docket.

2. Within five days of the date of this Interim Decision and Order, HAWC shall submit a revised schedule of rates and charges, reflecting the increase in rates allowed by this Interim Decision and Order. HAWC shall also serve the Consumer Advocate and the City with copies of the revised schedule.

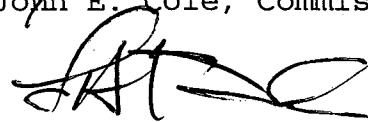
3. Upon issuance of the final decision and order in this docket, any amount collected pursuant to this interim rate increase that is in excess of the increase determined by the final decision and order to be just and reasonable shall be refunded to HAWC's ratepayers, together with interest as provided by HRS § 269-16(d).

DONE at Honolulu, Hawaii OCT 10 2008.

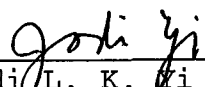
PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By   
Carlito P. Caliboso, Chairman

By   
John E. Cole, Commissioner

By   
Leslie H. Kondo, Commissioner

APPROVED AS TO FORM:

  
Jodi L. K. Yi  
Commission Counsel

2007-0180.cp

**DOCKET NO. 2007-0180**  
**HAWAII AMERICAN WATER COMPANY, INC.**  
**REVENUE REQUIREMENTS**  
**TEST YEAR ENDED DECEMBER 31, 2008**

	<u>Present Rates</u>	<u>Additional Amount</u>	<u>Interim Rates</u>
<b>REVENUES</b>			
Residential	\$ 6,757,716	\$ 549,246	\$ 7,306,962
Commercial	875,542	75,079	950,621
Public Authorities-Dwelling & Other	731,227	77,801	809,028
Miscellaneous	22,643	-	22,643
Other	(321)	-	(321)
Rounding		(309)	(309)
Total Operating Revenues	<u>8,386,807</u>	<u>701,817</u>	<u>9,088,624</u>
<b>OPERATING &amp; MAINT. EXPENSES</b>			
Labor	758,547		\$ 758,547
Power & Fuel	616,729		616,729
Chemicals	218,739		218,739
Waste Disposal	266,379		266,379
Management Fees	669,012		669,012
Group Insurance	161,536		161,536
Pension	93,289		93,289
Regulatory Expense	104,699		104,699
Insurance Other Than Group	151,180		151,180
Customer Accounting	80,409	2,872	83,281
Rents	38,095		38,095
General Office Expenses	109,472		109,472
Miscellaneous	321,623		321,623
Other Maintenance	161,939		161,939
Total O & M Expenses	<u>3,751,648</u>	<u>2,872</u>	<u>3,754,520</u>
Taxes Other Than Income	596,057	44,797	640,854
Depreciation	1,976,715		1,976,715
CPS & Other Amort.	127,881		127,881
Income Taxes	323,163	254,527	577,690
Total Operating Expense	<u>6,775,463</u>	<u>302,196</u>	<u>7,077,659</u>
Net Operating Income (Loss)	<u>\$ 1,611,344</u>	<u>\$ 399,621</u>	<u>\$ 2,010,965</u>
Average Rate Base	<u>\$ 22,720,206</u>		<u>\$ 22,720,206</u>
Return on Rate Base	<u>7.09%</u>		<u>8.85%</u>



**DOCKET NO. 2007-0180**  
**HAWAII AMERICAN WATER COMPANY, INC.**  
**TAXES OTHER THAN INCOME TAXES**  
**TEST YEAR ENDED DECEMBER 31, 2008**

	<u>Tax Rates</u>	<u>Present Rates</u>	<u>Adjustments</u>	<u>Interim Rates</u>
Total Operating Revenues		<u>\$ 8,386,807</u>	<u>\$ 701,817</u>	<u>\$ 9,088,624</u>
Public Company Service Tax	5.885%	493,564	41,302	534,866
Public Utility Fee	0.500%	<u>41,757</u>	<u>3,509</u>	<u>45,251</u>
Total Revenue Taxes	6.385%	535,320	44,811	580,117
Other Taxes				
Payroll Tax		60,737		60,737
Total Other Taxes		<u>60,737</u>		<u>60,737</u>
Total Taxes Other Than Income Taxes		<u>\$ 596,057</u>		<u>\$ 640,854</u>

**DOCKET NO. 2007-0180**  
**HAWAII AMERICAN WATER COMPANY, INC.**  
**INCOME TAX EXPENSE**  
**TEST YEAR ENDED DECEMBER 31, 2008**

	<u>Present Rates</u>	<u>Interim Rates</u>
<b>REVENUES</b>		
Residential	\$ 6,757,716	\$ 7,306,962
Commercial	875,542	950,621
Public Authorities-Dwelling & Other	731,227	809,028
Miscellaneous	22,643	22,643
Other	(321)	(321)
Rounding	-	(309)
Total Operating Revenues	<u>8,386,807</u>	<u>9,088,624</u>
<b>OPERATING &amp; MAINT. EXPENSES</b>		
Labor	758,547	758,547
Power & Fuel	616,729	616,729
Chemicals	218,739	218,739
Waste Disposal	266,379	266,379
Management Fees	669,012	669,012
Group Insurance	161,536	161,536
Pension	93,289	93,289
Regulatory Expense	104,699	104,699
Insurance Other Than Group	151,180	151,180
Customer Accounting	80,409	83,281
Rents	38,095	38,095
General Office Expenses	109,472	109,472
Miscellaneous	321,623	321,623
Other Maintenance	161,939	161,939
Total O & M Expenses	<u>3,751,648</u>	<u>3,754,520</u>
Depreciation	1,976,715	1,976,715
CPS & Other Amort.	127,881	127,881
TOTIT	596,057	640,854
Interest	1,055,746	1,055,746
Total Adjustments	<u>3,756,399</u>	<u>3,801,195</u>
Taxable Income	<u>878,760</u>	<u>1,532,909</u>
Income Tax Provision		
Effective tax rate of	38.9098% 341,924	596,451
Less Amortization of:		
HCGETC Amortization	<u>18,761</u>	<u>18,761</u>
Income Tax Expense	<u>\$ 323,163</u>	<u>\$ 577,690</u>

**DOCKET NO. 2007-0180**  
**HAWAII AMERICAN WATER COMPANY, INC.**  
**AVERAGE RATE BASE**  
**TEST YEAR ENDED DECEMBER 31, 2008**

<b>Description</b>	<b>At 12/31/2007</b>	<b>At 12/31/2008</b>	<b>Average</b>
Plant in Service	\$ 40,449,812	\$ 42,855,840	
Accum. Depr. Reserve	16,846,992	18,846,887	
Net-Plant-in-Service	<u>23,602,820</u>	<u>24,008,953</u>	\$ 23,805,887
Deduct:			
Net Contributions in Aid of Construction	(380,849)	(357,670)	
Customer Advances	-	-	
Customer Deposits	-	-	
Accumulated Deferred Taxes: Federal	(438,455)	(372,891)	
Accumulated Deferred Taxes: State	64,220	70,783	
Unamortized Hawaii General Excise Tax Credit	<u>(201,947)</u>	<u>(192,552)</u>	
Total Deductions	(957,031)	(852,330)	\$ (904,681)
	\$ 22,645,789	\$ 23,156,623	\$ 22,901,206
Add:			
Working Cash at Present Rates			\$ (181,000)
Subtotal	-	-	
Rate Base at Present and Interim Rates			<u><u>\$ 22,720,206</u></u>

DOCKET NO. 2007-0180  
HAWAII AMERICAN WATER COMPANY, INC.  
WORKING CASH  
TEST YEAR ENDED DECEMBER 31, 2008

	2008 At Present Rates	Average Daily Amount	Expense (Lead)/Lag Days	Revenue Lag	Net (Lead)/Lag Days	Working Capital (Provided) Required
OPERATION AND MAINTENANCE						
Labor	\$ 758,547	2,078	(13.19)	8.50	(4.69)	\$ (9,747)
Power & Fuel	\$ 616,729	1,690	(26.06)	8.50	(17.56)	\$ (29,671)
Chemicals	\$ 218,739	599	(20.43)	8.50	(11.93)	\$ (7,149)
Waste Disposal	\$ 266,379	730	(59.61)	8.50	(51.11)	\$ (37,300)
Management Fees	\$ 669,012	1,833	(39.20)	8.50	(30.70)	\$ (56,270)
Group Insurance	\$ 127,001	348	7.69	8.50	16.19	\$ 5,633
OPEB	\$ 34,535	95	(34.11)	8.50	(25.61)	\$ (2,433)
Pension	\$ 93,289	256	(22.71)	8.50	(14.21)	\$ (3,632)
Regulatory Expense	\$ 104,699	287	0.00	8.50	8.50	\$ 2,438
Insurance Other Than Group	\$ 151,180	414	60.90	8.50	69.40	\$ 28,745
Customer Accounting	\$ 80,409	220	(25.98)	8.50	(17.48)	\$ (3,851)
Rents	\$ 38,095	104	9.25	8.50	17.75	\$ 1,853
General Office Expenses	\$ 109,472	300	(20.00)	8.50	(11.50)	\$ (3,449)
Miscellaneous	\$ 321,623	881	(29.99)	8.50	(21.49)	\$ (18,936)
Other Maintenance	\$ 161,939	444	(23.82)	8.50	(15.32)	\$ (6,797)
GENERAL TAXES						
Payroll Taxes	\$ 60,737	166	(14.63)	8.50	(6.13)	\$ (1,018)
PCS Taxes at present rates	\$ 493,564	1352	(17.30)	8.50	(8.80)	\$ (11,898)
PUC Fees at present rates	\$ 41,757	114	(76.50)	8.50	(68.00)	\$ (7,752)
INCOME TAXES						
SIT - Current - Present	\$ 49,957	137	(30.26)	8.50	(21.76)	\$ (2,981)
FIT - Current - Present	\$ 273,206	749	(30.26)	8.50	(21.76)	\$ (16,298)
Working Cash for Rate Base - Present Rate	<u>\$ 4,670,868</u>					<u>\$ (180,513)</u>
Working Cash at Present Rates (Rounded-up)						<u>\$ (181,000)</u>

CERTIFICATE OF SERVICE

The foregoing order was served on the date of filing by mail, postage prepaid, and properly addressed to the following parties:

CATHERINE P. AWAKUNI  
EXECUTIVE DIRECTOR  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
DIVISION OF CONSUMER ADVOCACY  
P. O. Box 541  
Honolulu, HI 96809

KENT D. MORIHARA, ESQ.  
KRIS N. NAKAGAWA, ESQ.  
SANDRA L. WILHIDE, ESQ.  
RHONDA L. CHING, ESQ.  
MORIHARA LAU & FONG, LLP  
841 Bishop Street, Suite 400  
Honolulu, HI 96813

Attorneys for HAWAII-AMERICAN WATER COMPANY

RODNEY L. JORDAN  
c/o AMERICAN WATER WORKS SERVICE COMPANY, INC.  
4701 Beloit Drive  
Sacramento, CA 95838

LEE A. MANSFIELD, P.E.  
MANAGER  
HAWAII-AMERICAN WATER COMPANY  
6700 Kalanianaʻole Highway, Suite 205  
Honolulu, HI 96825

CARRIE K.S. OKINAGA, ESQ.  
PAUL HERRAN, ESQ.  
DEPARTMENT OF THE CORPORATION COUNSEL  
CITY AND COUNTY OF HONOLULU  
530 S. King Street, Room 110  
Honolulu, HI 96813

Attorneys for CITY AND COUNTY OF HONOLULU